

**TRANSMITTAL AND NOTICE OF APPROVAL
OF STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER
00-8

2. STATE
Illinois

3. PROGRAM IDENTIFICATION: **TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)**

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE:
July 1, 2000

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 431.11 & Section 1902(a)(4) Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2000 - \$1,600,000
b. FFY 2001 - \$6,600,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, pages 127(A), 127(B) and 127(C) & 127(D)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (if Applicable):
Attachment 4.19-A, pages 127(A), 127(B) and 127(C)

10. SUBJECT OF AMENDMENT: **METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL
REIMBURSEMENT**

☐ GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☒ OTHER, AS SPECIFIED:

Not submitted for review by prior
approval.

12. SIGNATURE OF AGENCY OFFICIAL: *Ann Patla*

13. TYPED NAME: Ann Patla

14. TITLE: DIRECTOR

15. DATE SUBMITTED: 8-29-00

16. RETURN TO:

ILLINOIS DEPARTMENT OF PUBLIC AID
201 SOUTH GRAND AVENUE, EAST
SPRINGFIELD, IL. 62762
ATTENTION: Lynn Handy
Deputy DIRECTOR

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: 4/5/01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/2000

20. SIGNATURE OF REGIONAL OFFICIAL: *Sinalina Mercado*

21. TYPED NAME:

22. TITLE: Acting Assoc. Regional Administrator

23. REMARKS:

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL
REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO
GRANT (MANG)

07/99

C. Direct Hospital Adjustment (DHA) Criteria

1. Qualifying Criteria

Hospitals may qualify for the DHA under this subsection C. under the following categories:

a. Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals and long term stay hospitals, all other hospitals located in Health Service Area (HSA) 6 that either:

i. were eligible for Direct Hospital Adjustments under the CHAP program as of July 1, 1999, and had a Medicaid inpatient utilization rate (MIUR) equal to or greater than the statewide mean in Illinois on July 1, 1999;

ii. were eligible under the Supplemental Critical Hospital Adjustment Payment (SCHAP) program as of July 1, 1999, and had a MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999; or

iii. were county-owned hospitals as defined in 89 Ill. Adm. Code 148.25(b)(1)(A), and had a MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999.

b. Illinois Hospitals located outside of HSA 6 that have a MIUR greater than 60 percent on July 1, 1999, and an average length of stay less than ten days. The following hospitals are excluded from qualifying from this criteria: children's hospitals; psychiatric hospitals; rehabilitation hospitals; and long term stay hospitals.

c. Children's hospitals, as defined under Section II.C.3, on July 1, 1999.

d. Illinois Teaching hospitals with more than 40 graduate medical education programs, on July 1, 1999, not qualifying in subsections C.1.a., b. or c. above.

7/00

e. Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals, long term stay hospitals and hospitals qualifying in subsections (C)(1)(a),(b),(c) or (d) above, all other hospitals located in Illinois that had a MIUR equal to or greater than the mean plus one-half standard deviation on July 1, 1999, and provided more than 15,000 Total days.

07/00

D. DHA Rates and Payments

1. For hospitals qualifying under subsection C.1.a. above, the DHA rates are as follows:

a. Hospitals that have a Combined MIUR that is equal to or greater than the Statewide mean Combined MIUR, but less one

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REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO
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standard deviation above the Statewide mean Combined MIUR, will receive \$20 per day for hospitals that do not provide obstetrical care and \$115 per day for hospitals that do provide obstetrical care.

b. Hospitals that have a Combined MIUR that is equal to or greater than one standard deviation above the Statewide mean Combined MIUR, but less than one and one-half standard deviations above the Statewide mean Combined MIUR, will receive \$40 per day for hospitals that do not provide obstetrical care, and \$155 per day for hospitals that do provide obstetrical care.

c. Hospitals that have a Combined MIUR that is equal to or greater than one and one-half standard deviations above the Statewide mean Combined MIUR, but less than two standard deviations above the Statewide mean Combined MIUR, will receive \$80 per day for hospitals that do not provide obstetrical care, and \$175 per day for hospitals that do provide obstetrical care.

d. 7/00 Hospitals that have a Combined MIUR that is equal to or greater than two standard deviations above the Statewide mean Combined MIUR will receive \$100 per day for hospitals that do not provide obstetrical care, and \$195 per day for hospitals that do provide obstetrical care.

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2. Hospitals qualifying under subsection C.1.a. above, will also receive the following rates:

a. Hospitals with more than 30,000 Total days will have their rate increased by \$265 \$455 per day.

b. Hospitals with more than 80,000 Total days will have their rate increased by an additional \$410 per day.

c. Hospitals with more than 4,500 Obstetrical days will have their rate increased by \$110 per day.

d. Hospitals with more than 5,500 Obstetrical days will have their rate increased by an additional \$375 \$185 per day.

e. Hospitals with an MIUR rate greater than 74 percent will have their rate increased by \$160 per day.

f. Hospitals with an average length of stay less than 3.9 days will have their rate increased by \$45 per day.

3. Hospitals qualifying under subsection C.1.b. above will receive the following rates:

a. Qualifying hospitals will receive a rate of \$330 per day.

b. Qualifying hospitals with the more than 1,500 Obstetrical days will have their rate increased by \$225 per day.

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4. Hospitals qualifying under subsection C.1.c. above will receive the following rates:
- a. Hospitals will receive a rate of \$30 per day.
 - b. Hospitals located in Illinois and outside of HSA 6, that have a Medicaid inpatient utilization rate greater than 60 percent, will have their rate increased by \$60 per day.
 - c. Hospitals located in Illinois and inside HSA 6, that have a Medicaid inpatient utilization rate greater than 80 percent, will have their rate increased by \$210 \$325 per day.
 - d. Hospitals that are not located in Illinois that have a Medicaid inpatient utilization rate greater than 45 percent will have their rate increased by \$35 per day.
 - e. Hospitals with more than 3,200 Total admissions will have their rate increased by \$425 \$175 per day.

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5. Hospitals qualifying under subsection C.1.d. of this Section will receive the following rates:
- a. Hospitals will receive a rate of \$45 per day.
 - b. Hospitals with a MIUR between 18 percent and 19.75 percent will have their rate increased by an additional \$15 per day.
 - c. Hospitals with a MIUR equal to or greater than 19.75 percent will have their rate increased by an additional \$50 per day.

7/00

6. Hospitals qualifying under subsection C1.e above will receive \$25 per day.
- 6-7. Hospitals qualifying under subsection C.1.a.iii. above will have their rates multiplied by a factor of two.
8. Payments under this subsection C. will be made at least quarterly, beginning with the quarter ending December 31, 1999.
- a. Payment rates will be multiplied by the Total days.
 - b. Total Payment Adjustments
 - i. For the CHAP rate period occurring in State fiscal year 2000, total payments will equal the methodologies described above, less the amount the hospital received under DHA and SCHAP for the quarter beginning July 1, 1999. For hospitals not qualifying for CHAP, DHA and SCHAP payments for the quarter ending September 30, 1999, total payments will equal the methodologies described above.
 - ii. For CHAP rate periods occurring after State fiscal year 2000, total payments will equal the methodologies described above.

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- iii. Payments under this subsection C that are made to disproportionate share hospitals in accordance with Chapter VI.C.7 will be considered to be disproportionate share payments, except for payments made to hospitals as defined in Chapter XIII.

APR 05 2009

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